INDEX

	PAGE
Opinions Below	1
Jurisdiction	2
Counter-Statement of Questions Presented	3
Constitutional Provisions and Statutes Involved	4
Counter-Statement of the Case	5
When and How Federal Questions Were Raised	12
Summary of Argument	13
Argument	
I. THE PENNSYLVANIA SUPREME COURT DID NOT INTERPOSE LOCAL LAW IN DECIDING A CLAIM OF INFRINGEMENT OF A FEDERALLY REGISTERED SERVICE MARK, BECAUSE SUCH A QUESTION WAS NEVER PROPERLY RAISED	15
A. THE APPLICABLE DECISIONS OF THIS COURT PRECLUDE THE CONSIDERATION OF ANY TRADEMARK ACT QUESTION WHEN NOT PROPERLY RAISED AND CONSIDERED IN THE STATE COURTS	15
B. UNDER THE APPLICABLE REQUIREMENTS OF PENNSYLVANIA PRACTICE AND PROCEDURE A FEDERAL TRADEMARK ACT QUESTION MUST HAVE BEEN RAISED IN THE PLEADINGS AND EVIDENCE IN THE TRIAL COURT TO HAVE BEEN PROPERLY BEFORE THE STATE COURTS	17

C. FOUR FACTORS IN THE RECORD CONCLUSIVELY ESTABLISH THAT NO FEDERAL TRADEMARK ACT QUESTION WAS EVER PROPERLY RAISED OR BEFORE THE STATE COURTS 19

1. *A Review of the Pleadings Reveals That No Federal Servicemark Infringement Question Was Raised* 19

2. *The Record Demonstrates That No Proof Was Ever Offered to Support or Establish A Claim of Federal Servicemark Infringement* 20

3. *A Very Important Portion of the Record Demonstrates That Holiday Inns of America, Inc., Not Only Failed to Raise Any Federal Trademark Act Question but They Expressly Disclaimed the Presence of Any Such Question* 22

4. *The Opinions of the State Trial and Appellate Courts Demonstrate That No Federal Question Was Involved in This Case* 28

D. CONCLUSION 29

II. THERE IS NO QUESTION IN THIS CASE WITH RESPECT TO FEDERAL PREEMPTION OF THE FIELD OF UNFAIR COMPETITION BY THE ENACTMENT OF THE LANHAM ACT. THE LANHAM ACT SPECIFICALLY REFERS TO AND COMPELS THE SAME RESULT REACHED BY THE COURT BELOW, BECAUSE IT EXPRESSLY PRESERVES RIGHTS VALIDLY CREATED UNDER STATE LAW 30

Conclusion 38

TABLE OF CITATIONS

Cases

	PAGE
Abrams Will, 419 Pa. 92 (1965)	17
Altman v. Ryan, 435 Pa. 401 (1969)	17
Armstrong & Latta v. City of Philadelphia, 249 Pa. 39 (1915)	17
Anflick v. Gruhler, 353 Pa. 470 (1946)	18
Bailey v. Anderson, 326 U. S. 203, 90 L. Ed. 3 (1945), *rehearing denied* 326 U.S. 691 90 L. Ed. 407 (1945)	16
Beck v. Washington, 369 U.S. 541, 8 L. Ed. 2d 98 (1962)	16
Bittner v. McGrath, 186 Pa. Super. 477 (1958)	17
Borough of Schuykill Haven v. Bolton, 190 Pa. Super. 157 (1959)	18
Bowman v. Gum, Inc., 321 Pa. 516 (1936)	18
Brown v. Massachusetts, 144 U.S. 573, 36 L. Ed. 546 (1892)	16
Brunetto v. Ferraro, 167 Pa. Super. 568 (1950)	17
Burger King of Florida, Inc. v. Hoots, 403 F.2d 923 (8th Cir. 1968)	32
Cardinale v. Louisiana, 394 U.S. 437, 22 L. Ed 2d 398 (1969)	15
Chicago, Indianapolis & Louisville Railway Company v. Maguire, 196 U.S. 128, 49 L. Ed. 413 (1905)	17, 30
Cox v. Texas, 202 U.S. 466, 50 L. Ed. 1099 (1906)	17
Danovitz v. Portnoy, 399 Pa. 599 (1960)	18
Dawn Donut Co. v. Hart's Food Stores, Inc., 267 F.2d 358 (2d Cir. 1959)	36
Donald F. Duncan, Inc. v. Royal Tops Mfg. Co., 343 F.2d 655 (7th Cir. 1965)	26

CASES	PAGE
Eddy v. Ashley Borough, 281 Pa. 4 (1924)	19
Edelman v. California, 344 U.S. 357, 97 L. Ed. 387 (1952)	15
Erie Railroad v. Purdy, 185 U.S. 148, 46 L. Ed. 845 (1902)	16
F. G. Oxley Stave Company v. Butler, 166 U.S. 648, 41 L. Ed. 1149 (1897)	16
First National Bank of Estherville, Iowa v. City Council of Estherville, 215 U.S. 341, 54 L. Ed. 223 (1910)	16
Food Fair Stores, Inc. v. Square Deal Market Co., 206 F.2d 482 (D.C. Cir. 1953)	32
Glover v. Philadelphia, 304 Pa. 466 (1931)	19
Grisbord v. Philadelphia, 148 Pa. Super. 91 (1942)	17
Haller v. Mount Lebanon Parking Authority, 7 D.&C. 2d 146 (Allegheny Cty. C.P. 1955)	18
Haviland & Co. v. Johann Haviland China Corporation, 269 F. Supp. 928 (S.D.N.Y. 1967)	35
Henry v. Zurflieh, 203 Pa. 440 (1902)	17
Herndon v. Georgia, 295 U.S. 441, 79 L. Ed. 1530 (1934), *rehearing denied* 296 U.S. 661, 80 L. Ed. 471 (1935)	15
Hornblower v. Austin, 112 Pa. Super. 90 (1934)	17
Huffman Estate, 349 Pa. 59 (1944)	17
John R. Thompson Co. v. Holloway, 366 F.2d 108 (5th Cir. 1966)	36
Kipley v. Illinois, 170 U.S. 182, 42 L. Ed. 998 (1898)	16
Kirshon v. Friedman, 349 Pa. 171 (1944)	18
Lane v. Smith, 103 Pa. 415 (1883)	17
Littman v. Bell Telephone Co., 315 Pa. 370 (1934)	18
Mellon Nat. Bank v. People's Bank, 226 261 (1910)	25

CASES	PAGE
Memphis Natural Gas Company v. Beeler, 315 U.S. 649, 86 L. Ed. 1090 (1942)	16
Michigan Sugar Company v. Dix, 185 U.S. 112, 46 L. Ed. 829 (1902)	16
Montgomery County Bar Association v. Rinalduchi, 329 Pa. 296 (1938)	17
Orth v. Consumers' Gas Company, 280 Pa. 118 (1924)	17
Pace v. Kroger Company, 210 Pa. Super. 139 (1967)	17
Page v. Simpson, 172 Pa. 288 (1896)	25
Pennsylvania Railroad Company v. Illinois Brick Company, 297 U.S. 447, 80 L. Ed. 796 (1936), *rehearing denied* 297 U.S. 728, 80 L. Ed. 1011 (1936)	16, 17
Pennsylvania Railroad Company v. Pittsburgh, 335 Pa. 449 (1939)	18
Philadelphia Association of Linen Suppliers v. Philadelphia, 139 Pa. Super. 560 (1940)	17
Protz v. Peoples National Gas Company, 94 P.L.J. 139 (Allegheny Cty. C.P. 1946)	18, 19
Raley v. Ohio, 360 U.S. 423, 3 L. Ed. 2d 1344 (1959)	15
Reilly v. Magee, 272 Pa. 406 (1922)	19
Rhode Island Textile Company v. Lincoln Lace & Braid Co., 240 F. Supp. 97 (D.R.I. 1965)	32
Roman Products Corp. v. DiCrasto Dairy and Food Products, Inc., 361 F. 2d 599 (2d Cir. 1966)	32, 33, 35
Shoppers Fair of Arkansas, Inc. v. Sanders Co., 328 F.2d 496 (8th Cir. 1964)	36
Siragusa v. The Travelodge Corporation, 228 F. Supp. 238 (N.D. Ala. 1964), *Affirmed*, 352 F. 2d 516 (5th Cir. 1965)	32

CASES	PAGE
Snyder v. Barber, 378 Pa. 377 (1954)	19
Sproul v. Stein, 348 Pa. 269 (1944)	17
Stembridge v. Georgia, 343 U.S. 541, 96 L. Ed. 1130 (1952)	15, 16
Sterling Brewing, Inc. v. Cold Spring Brewing Corp., 100 F. Supp. 412 (D.C. Mass. 1951)	36
Street v. New York, 394 U.S. 576, 22 L. Ed. 2d 572 (1969)	15
Stewart v. Solomon, 316 Pa. 236 (1934)	19
Sweetarts v. Sunline, Inc., 380 F.2d 923 (8th Cir. 1967)	32
The Oakford Company v. The Kroger Company, 157 F. Supp. 453 (S.D. Ill. 1957)	33
Tillamook County Creamery Association v. Tillamook Cheese and Dairy Association, 345 F.2d 58 (9th Cir. 1965), cert. denied 382 U.S. 903 (1966)	32
Whitehall Laboratories v. Wilber, Secretary of Health, 73 Dauph. 234 (Dauphin Cty. C.P. 1959)	18
Wilson v. Cook, 327 U.S. 474, 90 L. Ed. 793 (1946)	15
Wolfe v. North Carolina, 364 U.S. 177, 4 L. Ed. 2d 1650 (1960)	16
Zimmerman v. B&C Motel Corp., 401 Pa. 278 (1960)	9, 12, 34
Zimmerman v. Holiday Inns of America, 123 U.S.P.Q. 86 (1959), reconsideration denied 126 U.S.P.Q. 70 (1960)	11
Zorach v. Clauson, 343 U.S. 306, 96 L. Ed. 954 (1952)	16

Articles and Statutes.

ARTICLES

Trade Marks and Unfair Competition, 68 Harv. L. Rev. 814, 875 (1955) 32

STATUTES

Title 15 — Trademark (Lanham) Act of 1946
Section 15 (15 U.S.C. §1065) 31
Section 33(b) (15 U.S.C. § 1115(b)) 31

Pennsylvania Business Corporation Law of 1933, May 5, P.L. 364, as amended, §202, Title 15 Purdon's Pa. Stat. Ann. §2852-202 9

Pennsylvania Fictitious Business Names Act of 1945, May 24, P. L. 967 §1, as amended, Title 54 Purdon's Pa. Stat. Ann. §28.1 8

Pennsylvania Fictitious Corporate Name Act of 1957, July 11, P.L. 783, §5, Title 15 Purdon's Pa. Stat. Ann. §55 9

INDEX TO APPENDIX

PAGE

Title 15 — Trademark (Lanham) Act of 1946

Section 15 (15 U.S.C. § 1065) 1a

Section 33(b) (15 U.S.C. § 1115(b)) 3a

Pennsylvania Business Corporation Law of 1933, May 5, P.L. 364, as amended, § 202, Title 15 Purdon's Pa. Stat. Ann. § 2852-202 ..... 5a

Pennsylvania Business Fictitious Names Act of 1945, May 24, P.L. 967 § 1, as amended, Title 54 Purdon's Pa. Stat. Ann. § 28.1 ..... 6a

Pennsylvania Fictitious Corporate Name Act of 1957, July 11, P.L. 783, § 5, Title 15 Purdon's Pa. Stat. Ann. § 55 ..... 8a

Decision of the Pennsylvania Supreme Court in This Case 9a

Zimmerman v. B. & C. Motel Corporation, 401 Pa. 278 (1960) 21a

Zimmerman v. Holiday Inns of America, Inc., 123 U.S.P.Q. 549 (1959) 27a

Plaintiffs' Exhibit 292 — U. S. Patent Office Trademark Registration 592, 5[illegible], issued July 13, 1954 ..... 31a

RESPONDENTS' BRIEF IN OPPOSITION TO PETITION FOR WRIT OF CERTIORARI TO THE SUPREME COURT OF PENNSYLVANIA*

OPINIONS BELOW

The opinion of the Supreme Court of Pennsylvania is reported at 438 Pa. 528, 266 A.2d 87. A prior opinion by the Court of Common Pleas of Allegheny County, Pennsylvania, Civil Division is unreported but is in the printed Record of which certification was obtained by Respondent. (R. 3161a) (It is also set out in Petitioner's Appendix at page 24a)

---

*Explanatory note:

References to Respondents' Appendix herein are e.g., "(A. 1a)."

References to the printed Record in the Pennsylvania Supreme Court are, e.g., "(R. 1a)." (The Petitioner, Holiday Inns of America, Inc., did not have certified and transmitted to this Honorable Court the printed Record in the Pennsylvania Supreme Court. The Respondents here did have such entire printed Record in that Court certified and transmitted.)

Other page references—e.g., to the Petition filed herein—are self-explanatory in their own context.

JURISDICTION

Respondents do not accept the statement of jurisdiction in Petitioner's Petition. It is respectfully submitted that this Court lacks jurisdiction under 28 U.S.C. § 1257 (3) because no question of any right, privilege or immunity under the Constitution or laws of the United States was ever timely and properly raised nor was any State law ever timely and properly drawn in question on the ground of its being repugnant to the Constitution or laws of the United States.

COUNTER-STATEMENT OF QUESTIONS PRESENTED

Respondents do not accept the Statement of Questions Presented as set forth in the Petition (p. 2). In lieu thereof, Respondents submit the following:

1. May the unsuccessful litigant in a state court obtain certiorari by belatedly attempting to inject a Federal question into the case, if no such question was raised in the pleadings or at trial in the state court, and the case was pleaded and tried solely on the basis of that state's common law?

2. Has a state court interposed local law which is contrary to the Federal Trademark Act in its decision of an unfair competition case on the basis of the existence of a valid state common law right to the use of a service mark, when that very Act itself expressly provides for the recognition of validly existing state rights to the use of a service mark, and thus, compels the same analysis and outcome as under state law?

3. Where it is uncontroverted that a state supreme court has determined that a party has acquired property rights in a service mark by prior use in a limited area can such rights in that area be destroyed by the subsequent Federal registration of that name by another party?

CONSTITUTIONAL PROVISIONS AND STATUTES INVOLVED

Respondents do not accept the statement of the Petitioner with respect to constitutional provisions and statutes involved.

This case does not involve any provisions of the constitution or laws of the United States, because it was pleaded and tried solely on the basis of issues under the common law of the Commonwealth of Pennsylvania.

However, in discussing the Petitioner's belated attempt to inject certain Federal service mark questions, the following statutory provisions become relevant:

Title 15—Trademark (Lanham) Act of 1946
Section 15 (15 U.S.C. § 1065)
Section 33 (b) (15 U.S.C. § 1115(b))

COUNTERSTATEMENT OF THE CASE

Respondents do not accept Petitioner's statement of the case, and in lieu thereof, submit the following.

Eugene W. Zimmerman and certain corporations which he owns and which he authorized to use the name "Holiday" are the Respondents in the present proceeding before this Honorable Court. (They are hereinafter collectively referred to as "Zimmerman"). They were initially the plaintiffs in the action which gives rise to it. The Petitioner, Holiday Inns of America, Inc. and its franchisees in Pennsylvania were initially the defendants therein. In the statement filed under Rule 21, Holiday Inns of America, Inc., has indicated that the franchisees are not parties in interest in this case (although they continue to use the name "Holiday" in Pennsylvania).[1]

The case involves a lawsuit instituted in 1963 by the first user — Zimmerman — (which use began in 1952), in the Commonwealth of Pennsylvania, of a name having the key word "Holiday" for motels or hotels.

It was instituted to protect rights — which such user had acquired under Pennsylvania law — against

---

1. The following corporations and individuals are franchisees of Holiday Inns of America, Inc., operating either motels or hotels in Pennsylvania using the service mark "Holiday": Apico Inns of Pennsylvania, Inc., Breezewood Motel Corporation, New Stanton Motel Corporation, National Heritage Associates, Inc., Republic Motor Inns, Inc., Alex Gregory and Philip Seig (R. 3164a-3166a).

impairment thereof by activities of the Petitioner here and others which activities began in Pennsylvania in 1958. This case is the reactivation of a law suit previously instituted in 1958 which reached the Pennsylvania Supreme Court in 1960 (A. 21a). At that time (1960) the Pennsylvania Supreme Court affirmed the lower court's dismissal of the case on the ground that the contending parties were not operating in the same market area. However, the Supreme Court of Pennsylvania expressly affirmed the lower court's leaving the case open without prejudice so that a determination of the rights of the parties could be obtained if their activities brought them into closer proximity from the market standpoint. (A. 26a)

Both the original suit and the reactivation of the litigation proceeded on the basis of the common law of Pennsylvania with respect to unfair competition. The aim of both suits was to protect the name "Holiday" for Zimmerman et al, the Respondents here (plaintiffs initially), on hotel and motel facilities in Pennsylvania. The action involved in the proceeding presently before this Honorable Court was resisted by Holiday Inns of America, Inc. and its franchisees — and Holiday Inns of America, Inc. filed a counter-claim — under the aforementioned common law of Pennsylvania. (R. 182a, 207a). The case was pleaded and tried exclusively and explicitly under the common law of Pennsylvania. Neither in the pleadings nor at trial was any claim of any kind or any defense of any kind raised with respect to Federal constitutional or statutory questions.

The case resulted in a final decree enjoining Holiday Inns of America, Inc., and its franchises from encroaching upon Zimmerman's market area, which

was completely within the Commonwealth of Pennsylvania, — a radius of twenty-two miles from the center of Harrisburg. (R. 3312a) Holiday Inns of America, Inc.'s counterclaim was dismissed. The Supreme Court of Pennsylvania affirmed. (A. 9a, 11a) Neither the trial court nor the Pennsylvania Supreme Court discussed any Federal question, because such issue had not been raised in the pleadings or at trial.

Previous to the year 1950, Zimmerman had been in the motel business in Pennsylvania, (R. 3169a) and during the summer of that year decided to build a motel at the Gettysburg Pike Interchange of the Pennsylvania Turnpike. (R. 3170a) At that time he selected the name "Holiday" for that motel, choosing the name at his family's suggestion. (R. 3170a) His good faith is attested by the fact that he did not learn until 1954 that Holiday Inns of America, Inc. was using the name "Holiday Inn Hotel Court" for a motel in Memphis, Tennessee. (R. 3171a) There was no motel or hotel with the name "Holiday" in Pennsylvania — other than Zimmerman's — until 1958, (R. 3168a) and there has *never* been a motel or hotel with the name "Holiday" — other than Zimmerman's — in the area which has been determined to be his market area. (R. 3189a) He has continuously operated his "Holidays" up to the present time. (R. 3172a, 3173a)

In 1952, Zimmerman actually began construction of the Holiday Motel at the Gettysburg Pike Interchange of the Pennsylvania Turnpike, and it went into operation in July of 1953. (R. 3170a) Its opening was heavily publicized, and the "Holiday" name was from 1952 on extensively advertised and publicized by Zimmerman. (R. 3172a) Zimmerman valued the name and intended to preserve and develop his property right therein. This motel was and is located west of the city of Harrisburg.

Zimmerman also owned and operated a motel east of Harrisburg, and in 1957 changed the name of that motel to "Holiday", calling the motel west of Harrisburg "Holiday Motel Hotel West", or "Holiday West" and the Holiday Motel east of Harrisburg "Holiday Motor Hotel East" or "Holiday East". (R. 3172a) At all times his "Holidays" were endorsed by national travel guides (R. 623a-625a) and advertised in numerous media. (R. 662a-712a)

Holiday Inns of America, Inc., began using the word "Holiday" in its name about 1952 solely in the Memphis, Tennessee area. (R. 3167a) In the spring of 1954, while Zimmerman was on a trip to Texas, he passed through Memphis, where he discovered the existence of Holiday Inns of America Inc.'s first motel operating under the name "Holiday Inn Hotel Courts", and learned that it was to be part of a chain which intended to expand. (R. 3171a)

Zimmerman had also planned for expansion of his Holiday Motels along the Pennsylvania Turnpike. When he returned to Pennsylvania from Texas, he took action — on advice of counsel — to protect his property right in the name "Holiday". (R. 3171a) On such advice, he incorporated under various corporate names, including the key word "Holiday", under the Business Corporation Law of Pennsylvania. (R. 3171a, A.12a). In this connection, he actually purchased the corporate name "Holiday Inn" from the persons who had incorporated a bar under that name.[2] He also registered fictitious names pursuant to the requirements of the Pennsylvania

---

2. The purpose of incorporaton refutes the assertion of Petitioner that these were "dummy" corporations (P. 4).

Fictitious Business Names Act of 1945, May 24, P. L. 967 §1, as amended, 54 Purdon's Pa. Stat. Ann. §28.1 (A. 6a).

Under Pennsylvania law it was not possible for anyone to incorporate using the name "Holiday" thereafter: Pennsylvania Business Corporation Law of 1933, May 5, P.L. 364, as amended, §202, Title 15 Purdon's Pa. Stat. Ann. §2852-202. (A. 5a)[3]

There is no evidence that Holiday Inns of America Inc. or its franchisees ever complied with the requirements of the Pennsylvania Fictitious Corporate Name Act of 1957, July 11, P.L. 783, §5, Title 15 Purdon's Pa. Stat. Ann. §55. (A. 8a) Thus they were not lawfully conducting their activities in Pennsylvania.

Holiday Inns of America, Inc., which could not qualify as a foreign corporation to do business in Pennsylvania under the name "Holiday" itself, however, employed the device of a wholly owned subsidiary, a Pennsylvania corporation known as H.I.O.A., Inc. to operate in the Commonwealth of Pennsylvania. (R. 3163a, 3164a)

In 1953 Holiday Inns of America, Inc., offered franchises for the entire United States. (R. 3168a) However in 1956 it signed an actual license agreement with B. & C. Motel Corporation. As the Pennsylvania Supreme Court stated, in that year, the Petitioner was a Tennessee corporation "operating motels locally in Memphis, but with ambition to establish by license and uniform regulations a national string of motels": *Zim-*

---

3. It is significant that all of petitioner's franchisees in Pennsylvania do business under the name "Holiday", even though their names are as indicated in footnote 1, (P. 5, supra). (The mentioned Act has been further amended and renumbered but was effective as above cited at the relevant time.)

merman v. B. & C. Motel Corporation, 401 Pa. 278 at 280 (A.21a, 22a). It was not until 1958, however, that B. & C. Motel Corporation opened a "Holiday Inn" near Allentown, Pennsylvania. (R. 3186a)

When that occurred, Zimmerman instituted action on the theory of unfair competition under the common law of Pennsylvania in the Court of Common Pleas of Lehigh County, Pennsylvania at No. 3 June Term, 1958. No Federal question was litigated in that case and it was dismissed by the trial court without prejudice. (R. 3187a) The Supreme Court of Pennsylvania expressly said: "We approve the lower court's leaving the case without prejudice in case the parties extend their facilities in this rapidly expanding industry". (R. 3187a, A. 26a). At the time of that decision (1960), the respondent had one motel east of Harrisburg and one motel west of Harrisburg. (R. 3172a) Holiday Inns of America, Inc., had no motel in Pennsylvania, and its only franchisee with a motel in Pennsylvania was B. & C. Motel Corporation, with a facility in or near Allentown, Pennsylvania. (R. 3186a)

Immediately following the aforementioned decision, Holiday Inns of America, Inc., and its franchisees began to expand their activities in the Commonwealth of Pennsylvania (R. 3190a) — apparently in order to establish or test the geographical limits or concepts established by the Supreme Court of Pennsylvania.

Zimmerman never expanded beyond his own market area. In 1960 he announced and publicized plans for the opening of a motel in the town or city of Harrisburg, approximately midway between his facility west of Harrisburg (Holiday West) and his facility east thereof

(Holiday East), i.e., in the heart of his previously established market area, (R. 3172a) under the name of Holiday Inn Town. Significantly, Holiday Inns of America, Inc., never took any legal action against this proposed and publicized use of the name until its counter claim was filed in this case on July 15, 1964, approximately four years later. Also, significantly, Holiday Inns of America, Inc., never took any legal action to require Zimmerman or any entity owned by him to discontinue the use of the name "Holiday".

The present suit was instituted on July 31, 1963. The underlying questions based upon Pennsylvania law which had been left open by the Pennsylvania Supreme Court in 401 Pa. 278 (1960) (A. 21a) were reactivated by the institution of the litigation presently involved here.

However, with respect to the matter of litigation of Federal questions, in 1959 Zimmerman had brought an action with the Patent Office Trade Mark Trial and Appeal Board to cancel the registration of Holiday Inns of America, Inc., service marks, because Zimmerman was the prior user of the key part of the mark with regard to motel facilities in his part of the United States. Holiday Inns of America, Inc.'s service mark registration was not until July, 1954. (R. 3540a) The Board dismissed the action because Zimmerman allegedly was not in interstate commerce, whereas, Holiday Inns of America was. However, the mentioned tribunal expressly noted that Zimmerman could very well possess superior rights in the name of "Holiday" for a single area in a state which might be recognized and enforced in appropriate proceedings. *Zimmerman v. Holiday Inns of America, Inc.*,

123 U.S.P.Q. 86 (1959), reconsideration denied 123 U.S.P.Q. 549 (1959). (A. 27a).

Zimmerman was not a "latecomer" in the use of the name "Holiday" but was the first and exclusive user of that name for motel facilities in the Commonwealth of Pennsylvania until 1958, and he chose it in good faith and without knowledge of the use of the word "Holiday" by Holiday Inns of America, Inc. *Zimmerman v. B. & C. Motel Corporation,* supra at 280. The trial court expressly found that Zimmerman did not act in bad faith or with unclean hands. (R. 3191a-3193a)

The relief granted to Zimmerman does not preclude the operation by Holiday Inns of America, Inc., of facilities within Zimmerman's market area but only the operation thereof with the use of the key word "Holiday".

WHEN AND HOW FEDERAL QUESTIONS WERE RAISED

Respondents do not accept the statement of the Petitioner (p. 5) as to when and how Federal questions were raised. On the contrary, Respondents submit that there was never a timely and proper presentation of any Federal question in this case.

SUMMARY OF ARGUMENT

I.

There is no basis for the grant of the petition for certiorari here because the question now sought to be presented to this Honorable Court was not properly raised and considered in the state court. For a right of review by this Honorable Court to be based upon the refusal or omission of a state court to decide a Federal question or apply a Federal law or effectuate a Federal right, the question with respect thereto must have been raised and presented at such time and in such manner as to present it properly before the state court for consideration. Where under state practice and procedure, a question not raised at trial will not be considered on appeal, a party must raise the Federal question on which he relies at trial to preserve his right of review by this Honorable Court. Furthermore, a party cannot raise a Federal question by mere inference, but only by such clear and precise averments as to place it beyond doubt that he intended to assert a Federal right. Moreover, where the highest state court is silent as to presence of a Federal question and does not deal with such issues at all in its Opinion, the inference is that the Federal question was not properly raised.

Here, under Pennsylvania procedural requirements, the Federal question would have had to be raised in the pleadings and at trial. The pleadings reveal no Federal question was raised. The record demonstrates that no proof in that connection was offered. Contrariwise, counsel for Holiday Inns of America, Inc. (Petitioner) expressly disclaimed the presence of any Federal question. The Opinions of the state courts are not merely

silent as to the absence of a Federal issue, but explicitly state that the issues raised were exclusively under state common law.

II.

There is no question in this case whatsoever concerning Congressional intent to create a uniform national law for service mark registrants, nor is there any question of Federal common law or pre-emption. The findings of fact of the trial court, affirmed by the Pennsylvania Supreme Court, are that Zimmerman, et al. (Respondents here) were exclusive and continuous prior users of the name "Holiday" in a limited geographical area in the Commonwealth of Pennsylvania, and the Lanham Act expressly preserves the rights of prior users in such a case. Accordingly, inasmuch as the Lanham Act expressly protects such right under state law, the result in any event, would be the same as reached by the Pennsylvania courts here.

ARGUMENT

I.

The Pennsylvania Supreme Court did not interpose local law in deciding a claim of infringement of a Federally registered service mark, because such a question was never properly raised.

A. The Applicable Decisions of This Court Preclude the Consideration of Any Federal Trademark Act Question When Not Properly Raised and Considered in the State Courts.

It is respectfully submitted that for a right of review by this Honorable Court to be based upon the refusal or omission of a state court to decide a Federal question or to apply Federal law or effectuate a Federal right, such question must have been raised and presented at such time in such manner as to bring it properly before the state court for consideration. *Cardinale v. Louisiana,* 394 U.S. 437, 22 L. Ed. 2d 398 (1969); *Street v. New York,* 394 U.S. 576, 22 L. Ed. 2d 572 (1969); *Raley v. Ohio,* 360 U.S. 423, 3 L. Ed. 2d 1344 (1959); *Edelman v. California,* 344 U.S. 357, 97 L. Ed. 387 (1953); *Stembridge v. Georgia,* 343 U.S. 541, 96 L. Ed. 1130 (1952); *Wilson v. Cook,* 327 U.S. 474, 90 L. Ed. 793 (1946); *Herndon v Georgia,* 295 U.S. 441, 79 L. Ed. 1530 (1934), *rehearing denied,* 296 U.S. 661, 80 L. Ed. 471 (1935).

Where under state practice and procedure a question not raised in the trial will not be considered on appeal — which is the rule of almost universal application — a party must raise the Federal question on which he relies *at trial* to save his right of review by

this Honorable Court. *Beck v. Washington,* 369 U.S. 541, 8 L. Ed. 2d 98 (1962); *Wolfe v. North Carolina,* 364 U.S. 179, 4 L. Ed. 2d 1650 (1960), *rehearing denied* 364 U.S. 856, 5 L. Ed. 2d 80 (1961); *Zorach v. Clausen,* 343 U.S. 306, 96 L. Ed. 954 (1952); *Bailey v. Anderson,* 326 U.S. 203, 90 L. Ed. 3 (1945), *rehearing denied* 326 U.S. 691, 90 L. Ed. 407 (1945); *Memphis Natural Gas Company v. Beeler,* 315 U.S. 649, 86 L. Ed. 1090 (1942); *Pennsylvania Railroad Company v. Illinois Brick Company,* 297 U.S. 447, 80 L. Ed. 796 (1936), *rehearing denied* 297 U.S. 728, 80 L. Ed. 1011 (1936); *First National Bank of Estherville, Iowa v. Ciy Council of Estherville,* 215 U.S. 341, 54 L. Ed. 223 (1910); *Erie Railroad v. Purdy,* 185 U.S. 148, 46 L. Ed. 847 (1902); *Brown v. Massachusetts,* 144 U.S. 573, 36 L. Ed. 546 (1892).

A party cannot raise a Federal question by mere inference, but only by such clear and precise averments as to place it beyond doubt that the party attempting to bring a case before this Honorable Court intended to assert a Federal right. *Michigan Sugar Company v. Dix,* 185 U.S. 112, 46 L. Ed. 829 (1902); *Kipley v. Illinois,* 170 U.S. 182, 42 L. Ed. 998 (1898); *F. G. Oxley Stave Company v. Butler,* 166 U.S. 648, 41 L. Ed. 1149 (1897).

Where the highest state court is silent as to the presence of a Federal question, and does not deal with such issues at all in its opinion, this Honorable Court has held that it will be inferred from the state supreme court's silence that the state court found the Federal question not to have been properly raised in accord with accepted state practice and procedure. *Stembridge v. Georgia, supra; Memphis Natural Gas Company v. Beeler, supra; Pennsylvania Railroad Co. v. Illinois Brick*

Company, supra; Cox v. Texas, 202 U.S. 446, 50 L. Ed. 1099 (1906); *Chicago, Indianapolis & Louisville Railway Company v. Maguire,* 196 U.S. 128, 49 L. Ed. 413 (1905).

Here, the Pennsylvania courts were not merely silent they expressly stated that they were dealing with state common law issues. (R. 3161a, et seq., A. 9a, et seq.).

B. UNDER THE APPLICABLE REQUIREMENTS OF PENNSYLVANIA PRACTICE AND PROCEDURE A FEDERAL TRADEMARK ACT QUESTION MUST HAVE BEEN RAISED IN THE PLEADINGS AND EVIDENCE IN THE TRIAL COURT TO HAVE BEEN PROPERLY BEFORE THE STATE COURTS.

The general rule in Pennsylvania, which has been reiterated many times, is that a case will not be reviewed on appeal on a different theory from that on which it was tried, nor will consideration be given to questions other than those presented for determination at trial. *Altman v. Ryan,* 435 Pa. 401 (1969); *Abrams Will,* 419 Pa. 92 (1965); *Sproul v. Stein,* 348 Pa. 269 (1944); *Huffman Estate,* 349 Pa. 59 (1944); *Montgomery County Bar Association v. Rinalduchi,* 329 Pa. 296 (1938); *Orth v. Consumers' Gas Company,* 280 Pa. 118 (1924); *Armstrong & Latta v. City of Philadelphia,* 249 Pa. 39 (1915); *Henry v. Zurflieh,* 203 Pa. 440 (1902); *Lane v. Smith,* 103 Pa. 415 (1883); *Pace v. Kroger Company,* 210 Pa. Super 139 (1967); *Bittner v. McGrath,* 186 Pa. Super. 477 (1958); *Brunetto v. Ferraro,* 167 Pa. Super. 568 (1950); *Grisbord v. Philadelphia,* 148 Pa. Super. 91 (1942); *Philadelphia Association of Linen Suppliers v. Philadelphia,* 139 Pa. Super. 560 (1940); *Hornblower v. Austin,* 112 Pa. Super. 90 (1934).

Argument.

In Pennsylvania, the procedural requirements are premised on the fact that Pennsylvania does not have "notice" pleadings but has "strict fact" pleadings. The probata must follow the allegata. Neither allegations without proof nor proof without allegations, nor allegations and proof which do not correspond, will entitle a complainant to relief. *Danovitz v. Portnoy,* 399 Pa. 599 (1960); *Anflick v. Gruhler,* 353 Pa. 470 (1946); *Kirshon v. Friedman,* 349 Pa. 171 (1944); *Pennsylvania Railroad Company v. Pittsburgh,* 335 Pa. 449 (1939); *Bowman v. Gum, Inc.,* 321 Pa. 516 (1936); *Littman v. Bell Telephone Co.,* 315 Pa. 370 (1934); *Borough of Schuykill Haven v. Bolton,* 190 Pa. Super. 157 (1959), *appeal dismissed* 365 U.S. 767, 6 L. Ed. 2d 189 (1961). In the instant case the pleadings contain no reference to a claim of infringement of a Federally registered service mark, and during the trial, the presence of any such issue was expressly disclaimed by the petitioners. (R. 2594a) To permit the injection of such an issue into the case after the trial, without any attempt by Petitioners to amend their pleadings, would be a distortion of Pennsylvania procedure.

It is patently unfair to review or reverse the judgment of a lower court on the basis of matter which that court never had an opportunity to consider.

When a question is not raised in the pleadings or evidence before the chancellor, it is too late to raise the question for the first time to the court by exceptions to the chancellor's failure or refusal to make requested findings and conclusions. *Haller v. Mount Lebanon Parking Authority,* 7 D. & C. 2d 146 (Allegheny Cty. C.P. 1955); *Protz v. Peoples Natural Gas Company,* 94 P.L.J. 139 (Allegheny Cty. C.P. 1946), *affirmed* 398 Pa.

223 (1959). See also: *Whitehall Laboratories v. Wilber, Secretary of Health,* 73 Dauph. 234 (Dauphin Cty. C.P. 1959). The Pennsylvania Supreme Court has reversed final decrees in equity of courts where they have granted relief beyond the scope of the pleadings and evidence introduced before the chancellor. *Snyder v. Barber,* 378 Pa. 377 (1954); *Stewart v. Solomon,* 316 Pa. 236 (1934); *Glover v. Philadelphia,* 304 Pa. 466 (1931); *Eddy v. Ashley Borough,* 281 Pa. 4 (1924); *Reilly v. Magee,* 272 Pa. 406 (1922).

C. FOUR FACTORS IN THE RECORD CONCLUSIVELY ESTABLISH THAT NO FEDERAL TRADEMARK ACT QUESTION WAS EVER PROPERLY RAISED OR BEFORE THE STATE COURTS.

1. *A Review of the Pleadings Reveals That No Federal Servicemark Infringement Question Was Raised.*

Plaintiffs' complaint (R. 15a-37a) and amended complaint (R. 91a-115a), as well as the answer and counter-claim of Holiday Inns of America, Inc. (R. 182a-216a) and plaintiffs' reply thereto (R. 217a-236a) proceeded on the basis of a common law unfair competition theory. Nowhere in the pleadings was any mention made of the "Lanham Act" or Federally registered service marks as a basis for any claim for relief.

In its answer and counter-claim Holiday Inns of America, Inc. alleged only that their mark had acquired secondary meaning in Pennsylvania (R. 209a), and that plaintiffs' use of the word "Holiday" constituted unfair competition with them. (R. 214a)

2. *The Record Demonstrates That No Proof Was Ever Offered to Support or Establish A Claim of Federal Servicemark Infringement.*

Neither party offered any proof to support any claim under the Federal Trademark (Lanham) Act. All the evidence went to the proof of secondary meaning and market area. There was no evidence at all to establish incontestability or any of the other elements necessary to prove a Federal service mark infringement case.

As stated by counsel for the Petitioner, Holiday Inns of America, Inc., (R. 2115a),

> "We don't believe they [Federal registrations] are relevant. If these go in, then it opens up the Federal trademark registration, and we will have to go into the matter as to how they were obtained and what procedures were involved and why you do certain things in obtaining a Federal trademark, or service mark registration, and the copyright matters. We are getting far afield . . ."

No proof of the type referred to was ever introduced by anyone. Significantly, however, in their petition (p. 8), Holiday Inns of America, Inc., now makes the remarkable and revealing assertion that *"Patent Office records show* that Holiday Inns' registration of 'Holiday Inn' has become incontestable under Section 15 of the Act."[4] (Emphasis supplied)

---

4. There is no citation to the record to support the Petitioner's contention, and the only reference made is to Petitioner's Appendix (2a), which is merely a recitation of Section 15 of the Lanham Act.

Argument.

RESPONDENTS EXPLICITLY OBJECT TO THIS STATEMENT IN THE PETITION AND REQUEST THAT IT BE TOTALLY DISREGARDED. What "Patent Office records" would show is not in the record in this case. However the attempt of the Petitioner to inject them into the case demonstrates the significance of its failure to adduce proof *at trial* and corroborates the proposition that the present proceeding is a belated attempt to inject a Federal issue.

RESPONDENTS (ZIMMERMAN ET AL.) ALSO EXPLICITLY OBJECT TO THE INCLUSION IN THE PETITIONER'S APPENDIX (67a) OF WHAT PURPORTS TO BE AN EXHIBIT DEMONSTRATING ITS COMPLIANCE WITH SECTION 15 OF THE ACT. RESPONDENTS REQUEST THAT THIS EXHIBIT BE TOTALLY DISREGARDED. This purported exhibit is not a part of the jointly-prepared printed record in the Pennsylvania Supreme Court. Such jointly-prepared printed record demonstrates that an exhibit was introduced by the Respondents (Plaintiffs' Exhibit 292) (R. 3514a) (A. 31a,[33a]) to demonstrate that Holiday Inns of America, Inc., considered the word "Holiday" to be the key part of their name—(this was offered and admitted for that limited purpose (R. 2113a, 2120a) — but there were no handwritten notations on the document (in the printed Record) such as appear in Petitioner's Appendix (at page 67a) evidently purporting to establish incontestability. Significantly, the precise exhibit of plaintiffs, as appears in the printed Record, (Plaintiffs' Exhibit 292) (R. 3514a, A. 3[illegible]a), was available for inclusion in the Appendix of the Petitioner, but Petitioner chose to substitute its own version of the exhibit.

Also, significantly, Petitioner, (Holiday Inns of America, Inc.) did *not* certify the printed record to this Honorable Court, but Respondents *have done so.*

3. *A Very Important Portion of the Record Demonstrates That Holiday Inns of America, Inc., Not Only Failed to Raise Any Federal Trademark Act Question but They Expressly Disclaimed the Presence of Any Such Question.*

Defendants' (Holiday Inns of America, Inc.) counsel insisted throughout the trial that no consideration should be given to Federal service mark issues, because they were "pretty far afield" (R. 2118a).

Actually, the only evidence with respect to service marks was introduced by plaintiffs (Zimmerman et al) in the form of certificates from the "principal register" of the United States Patent Office (Plaintiffs' Exhibits 292-308) (R. 3514a-3526a). These exhibits were offered solely to demonstrate that defendants' (Holiday Inns of America, Inc.) registered marks taken as a whole make it clear that defendants (Holiday Inns of America, Inc.) themselves considered the mark "Holiday" to be the dominant aspect of their name — i.e. the "key word". The exhibits were offered and admitted for that limited purpose. When the certificates were offered in evidence by plaintiffs (Zimmerman et al.), the following colloquy took place between Mr. Schmidt, counsel for plaintiffs (Zimmerman et al.), and Messrs. Robinson and Livingston, counsel for defendants (Holiday Inns of America, Inc.), which demonstrates the accuracy of plaintiffs' position here (R. 2115a-2120a). [see also, R. 2114a]:

"Mr. Robinson:

. . . . This is somewhat puzzling because in Mr. Schmidt's reply to the New Matter in Counterclaims, he makes the statement that the plaintiffs believe that the defendant's use of service marks is irrelevant and immaterial, and reserves the right to

object to relevancy and materiality of any evidence of such use of that evidence in the trial of this case. To [R. 2116a] *get into these Federal trademarks and service marks and copyrights, I think is getting pretty far afield.* [Emphasis supplied].

Mr. Schmidt:

As for the balance of these, for example plaintiffs' Exhibit 295 is a registration by the Holiday Inn of America, defendant, of the trademark, or whatever it is — trademark "Holiday Times", that is for printing a periodical publication in the nature of a house organ and quoted as to its activities and of particular interest to its employees and licensees. This is a recognition that the key word is "Holiday". This has not the "Holiday Inn Town". It is the "Holiday Times". Similarly, with respect to plaintiffs' Exhibit 299, the defendant Holiday Inns of America registered the trademark "John Holiday" for anti-acid tablets, aspirins, lip balm, a first-aid cream, and eye drops, and it states that John Holiday is not the name of any particular individual, but it is wholly fictitious and does not refer to any living person. . . .

• • •

[R. 2117a] For these reasons and because these are all part of the Answers to the Interrogatories which were filed in this Court we would offer — plus the fact, and let me go back, plus the fact that the dates when the defendant Holiday Inns of America admitted that they made the first use of these [R. 2116a] in connection with the variations in the name and presentation in whatever sign, we believe that the exhibits are relevant and should be part of record in the case.

Mr. Robinson:

We don't believe they are relevant. If these go in, then it opens up the Federal trademark registration and we will have to go into the matter as to how they were obtained and what procedures were involved and why you do certain things in obtaining a Federal trademark, or service mark registration, and the copyright matters. We are getting far afield. This matter of cosmetics and candles, and so forth, I think that is getting extremely far afield. I think that is getting extremely far afield. I submit they are irrelevant and immaterial to the issues in this case. Counsel himself in this reply to New Matter in Counter-claim — I read the same before and he believes that the use of service marks are irrelevant and immaterial to the issues in this case, and he is now offering these at this time. [Emphasis supplied].

• • •

[R. 2119a]

Mr. Robinson:

These are matters of public record too. They are available at the United States Patent Office. We just felt it was irrelevant and immaterial.

The Court:

I am not very familiar — as a matter of fact, I am not familiar at all with the procedure down at the Patent Office. I feel inclined at the present time, in view of the fact that they are part of the Answers to the Interrogatories, to let them in [R. 2120a] for what they might be worth. Maybe they are not worth anything as far as I am concerned. I don't know at the present time and I express no opinion on it.

Mr. Schmidt:

Thank you, your Honor.

Mr. Robinson:

Very well. On those service marks and copyright registrations, you are offering them for the purpose you indicated, is that right?

Mr. Schmidt:

Yes.

Mr. Robinson:

No other purposes?

The Court:

Well it will appear in the record.

Mr. Robinson:

All right.

Whether the service marks were technically valid was not relevant to or involved in the limited purpose of the offer. The effect of plaintiffs' (Zimmerman et al.) limited offer was to restrict the evidence to the one purpose assigned and it became part of the case for no other. *Mellon Nat. Bank v. People's Bank*, 226 Pa. 361 (1910); *Page v. Simpson*, 172 Pa. 288 (1896).

As noted by defendants' (Holiday Inns of America, Inc.) counsel, to make the service marks, as such, an issue in the case, would involve a full determination of the validity of the marks and the propriety of the procedure involved in their registration. *No evidence of the requisite proof of the validity and applicability of service marks can be found any place in the record, particularly in defendants' testimony and evidence.* To the extent that defendants (Holiday Inns of America, Inc.)

contend that service marks are the basis for their counterclaim, they have the burden of proving plaintiffs' (Zimmerman et al.) infringement thereof. *Donald F. Duncan, Inc. v. Royal Tops Mfg. Co.*, 343 F. 2d 655 (7th Cir. 1965). Pleading and proving a service mark case would necessarily involve these matters admitted by counsel for defendants (Holiday Inns of America, Inc.) to be important in such cases. Defendants (Holiday Inns of America, Inc.) cannot rely on plaintiffs' (Zimmerman et al.) limited offer to support their own case.

Probably the best illustration of defendants' (Holiday Inns of America, Inc.) position with respect to the service mark issue was that expressed by co-counsel for defendants (Holiday Inns of America, Inc.) in the midst of plaintiffs' (Zimmerman et al.) counsel's cross examination of the Holiday Inn executive Vice President, Mr. William B. Walton. (R. 2592a-2595a) The following is the entire colloquy that took place at that time, thus eliminating any question as to whether the matter is being quoted out of context:

"Q. As I understand, Holiday Inns of America does not claim any right in the use of the words "Holiday Inn" in normal face line printing other than script:

A. Holiday Inn claims the name "Holiday Inn". [R. 2593a] The two words together, "Holiday Inn" as a name, we do claim that.

Mr. Livingston:

You are getting far afield in cross examination of this witness. There has been no evidence or no examination of this particular witness as to the fact of registration or the absence of registrations, so I would say, your Honor, that exam-

mation in this area is going a bit further than would normally be anticipated.

Mr. Schmidt:

Your Honor, I would like to say this. Mr. Walton is the executive vice president of the defendant corporation, Holiday Inns of America. Under the Pennsylvania Rule as first enunciated in Connely versus Mervis in 334 Pennsylvania, I believe we are entitled to cross examine him into any issue in the case, even though it was not touched on his direct examination. I invite your attention, your Honor, to the fact that we have in evidence in answer to an Interrogatory asking them to list all service mark or trademark registrations which they have involving the word "Holiday". A list of registrations, any one of which claim the words "Holiday Inn" except in the particular presentation set forth in those reg [R. 2594a] istrations. What I am trying to find out now is whether they are representing to the public in their ads that they have got the words "Holiday Inns" no matter how presented.

Mr. Livingston:

I think that is a legal question. *I don't think the registrations as such are at issue in this case.* True, in response to certain Interrogatories which the plaintiff propounded, we did furnish certain information. *Mr. Schmidt is suggesting that an issue in this case is whether or not particular marks or names have or haven't been registered. I don't believe that is an issue in this case.* Further, the question propounded has legal implications to it. [Emphasis supplied].

Mr. Schmidt:

> We are not seeking to litigate a trademark, technical trademark question here. I do think that on the question of good faith in the attempt to create an image for this defendant or its services the question of what was held out to the public as being significant is important. It bears on the credibility of the witnesses. It bears on the bona fide — [Emphasis supplied]

The Court:

> I don't think we need to go into that in great detail.

Mr. Livingston:

> The question as to whether you may use a [R. 2995a] registered name as applied to a particular name, symbol, or design has a much greater connotation than the question suggested by Mr. Schmidt. *Now, if we are going to get into the legal aspects of this thing we should bring an expert in trademarks as to whether you can use it or not use it. This witness is not a trademark expert.* [Emphasis supplied].

Defendants (Holiday Inns of America, Inc.) not only brought in no experts on service marks, they introduced no evidence at all concerning them.

4. *The Opinions of the State Trial and Appellate Courts Demonstrate That No Federal Question Was Involved in This Case.*

The chancellor's "Statement of the Pleadings and Issues Involved" at the beginning of his Adjudication (R. 3161a) is as follows:

"This case is an action in equity wherein the plaintiffs seek to enjoin the defendants from alleged unfair competition by their use of the name 'Holiday Inn' in rendering motel, hotel and restaurant services within a geographical part of Pennsylvania. It also involves a counterclaim wherein the defendants petition to restrain the plaintiffs from alleged unfair competition . . . ."

Likewise, in the introductory paragraph to the Opinion of the Pennsylvania Supreme Court at 433 Pa. 278 (A. 9a), both the complaint and counterclaim are stated to have alleged unfair competition as follows:

"This is an action in equity wherein the plaintiffs seek to enjoin defendants from alleged unfair competition by their use of the name 'Holiday Inn' in rendering motel, hotel and restaurant services within a geographical area of Pennsylvania. It also involves a counterclaim wherein the defendants petition to restrain the plaintiffs from alleged unfair competition through plaintiffs' use of 'Holiday Inn' as a dominant feature of the name 'Holiday Inn Town,' one of the plaintiffs' three motels."

There is no statement in the opinion of either court as to the existence of any Federal Trademark Act question, or any issue other than a state common law claim of unfair competition. In view of the record, the only possible conclusion is that such a question simply was not presented to or properly before the state courts.

D. Conclusion

Defendants (Holiday Inns of America, Inc.) did not properly raise any Federal service mark questions in their pleadings or proof, and any attempts to present

such a question by way of exceptions, or writ of errors to the state supreme court, were not timely under accepted Pennsylvania procedure. Such attempted presentation being untimely under state practice, it will not support the jurisdiction of this Honorable Court on review.

In summary, in this respect, there is applicable to this case, the observation by this Honorable Court in *Chicago, Indianapolis & Louisville Railway Co. v. Maguire*, 198 U.S. 128, 133, 49 L. Ed. 413, 415 (1904):

> "This case is a not infrequent one of an attempt to clutch at the jurisdiction of the [United States Supreme Court] as an afterthought, when all other resources of litigation have been exhausted."

II.

There Is No Question in this Case with Respect to Federal Pre-emption of the Field of Unfair Competition by the Enactment of the Lanham Act. The Lanham Act Specifically Refers to and Compels the Same Result Reached by the Courts Below, Because It Expressly Preserves Rights Validly Created under State Law.

Petitioner's attempt to cast this case into the mold of a question relating to Congressional intent to create a uniform national law for service mark registrants and to raise the question of Federal common law or pre-emption is a specious attempt to create the impression that this case involves a question which does not exist in it at all.

Whatever may be the situation with respect to other provisions of the Lanham Act, or other fact situations,

it is clear that Sections 33(b) and 15 of the Lanham Act preserve the rights of prior users in a limited geographical area acquired under state law, which is the case here. The language of these sections indicates that it was not the intention of Congress to invalidate such previously created state rights.

Section 33(b) (15 U.S.C. § 1115(b)) states,

"(b) If the right to use the registered mark has become incontestible under section 1065 of this title, the registration shall be conclusive evidence of the registrant's exclusive right to use the registered mark . . . except when one of the following defenses or defects is established:

• • •

(5) That the mark whose use by a party is charged as an infringement was adopted without knowledge of the registrant's prior use and has been continuously used by such party or those in privity with him from a date prior to registration of the mark under this chapter or publication of the registered mark under subsection (c) of section 1062 of this title: *Provided, however,* That this defense or defect shall apply only for the area in which such continuous prior use is proved; or . . . ."

Furthermore section 15 (15 U.S.C. § 1065) provides:

"Except on a ground for which application to cancel may be filed at any time under subsections (c) and (e) of section 1064 of this title, *and except to the extent, if any, to which the use of a mark registered on the principal register infringes a valid right acquired under the law of any State or Territory by use of a mark or trade name continuing from a date prior to the date of the publication under this chap-*

ter of such registered mark, the right of the registrant to use such registered mark in commerce for the goods or services on or in connection with which such registered mark has been in continuous use for five consecutive years subsequent to the date of such registration and is still in use in commerce, shall be incontestable: *Provided*, That — . . . ." (Emphasis added).

The Federal courts have consistently recognized the clear intent of Congress expressed in these provisions by providing protection to the prior user of a service mark who had acquired rights in the mark under state law. These rights have been protected within the geographic market area of the prior user against the subsequent registrant to the extent that the registrant has been enjoined from using his mark in that area. *Burger King of Florida, Inc. v. Hoots*, 403 F. 2d 904 (8th Cir. 1968); *Sweetarts v. Sunline, Inc.*, 380 F.2d 923 (8th Cir. 1967); *Roman Products Corp. v. Di Crasto Dairy and Food Products, Inc.*, 361 F.2d 599 (2d Cir. 1966); *Tillamook County Creamery Association v. Tillamook Cheese and Dairy Association*, 345 F. 2d 58 (9th Cir. 1965), *cert. denied* 382 U.S. 903 (1966); *Food Fair Stores, Inc. v. Square Deal Market Co.*, 206 F.2d 482 (D.C. Cir. 1953); *The Oakford Company v. The Kroger Company*, 157 F. Supp. 453 (S.D. Ill. 1957); *Cf., Siragusa v. The Travelodge Corporation*, 228 F. Supp. 238 (N.D. Ala. 1964), *affirmed* 352 F.2d 516 (5th Cir. 1965); *Rhode Island Textile Company v. Lincoln Lace & Braid Co.*, 240 F. Supp. 97 (D.R.I. 1965); *"Trade Marks and Unfair Competition,"* 68 Harv. L. Rev. 814, 875 (1955).

Two of the above cited cases are indicative of the approach the courts have taken in dealing with

this question. In *The Oakford Company v. The Kroger Company, supra*, the plaintiff had used the trademark "Blue Ribbon" on its products for many years before the defendant registered the trademark. Following registration of the mark the defendant sought to use it in the plaintiff's market area. The plaintiff sought an injunction against the defendant which was granted, however only in the plaintiff's limited market area. The court held that defendant's sale of its products within the plaintiff's market area was a clear infringement of the plaintiff's common law rights and that plaintiff was also entitled to injunctive relief on the grounds that its trademark had acquired a secondary meaning identifying the plaintiff with its product. Another case where a similar result was reached is *Roman Products Corp. v. Di Crasto Dairy and Food Products, Inc.*, 361 F.2d 599 (2d Cir. 1966), wherein an injunction was denied a Federal registrant who sought to keep the defendants from using their common law trade mark in a limited geographic market. On page 601 of its reported opinion the court stated:

> "The law [Lanham Act] anticipated the inequities, which might accrue to innocent users, who had acquired valid property rights in the mark before its lawful registration.[2] The defendants' good faith in adopting and initially using the "Roma" mark prior to the "Roman" registration is not tainted by the subsequent awareness of the plaintiff's use after formal issuance."

On the basis of the relevant Federal statutes and case law discussed above and the facts of this case as determined by the state courts it is very obvious that the Petitioner is in error when it argues that it

was denied relief due it as a Federal registrant under the Lanham Act despite fact findings which, under Federal law, would entitle it to such relief. It is obvious from an examination of the record and cases decided under the Lanham Act that this conclusion is erroneous. The Pennsylvania courts determined that Zimmerman began doing business in Pennsylvania in the fall of 1952 using the name "Holiday" for motel. (R. 3170a) The effective date of Petitioner's registration was not until July of 1954.[5] (R. 3514a) Furthermore, it was not until 1958 that Petitioner opened its first "Holiday Inn" in Pennsylvania. (R. 3186a) Thus, it was not until six years after Zimmerman had commenced doing business in Pennsylvania, using the name "Holiday", that petitioner opened its first motel in Pennsylvania. During this time, Zimmerman had been conducting business and had established a secondary meaning in the name "Holiday" by his exclusive — and continuous until the present — use of it in the Harrisburg area (R. 3172a, 3173a, 3190a, 3192a, A. 11a). Thus the Pennsylvania courts established that Zimmerman had been a prior user in good faith of the name "Holiday" in the motel business in Pennsylvania, and that he had established a secondary meaning in the name. These are the facts as they were found by the Pennsylvania courts and which the Petitioner claims would achieve a different result under Federal law. It should be recalled that section 1115 of the Lanham Act provides that the rights of a prior user when acquired under state law will be recognized in the geographic area of its prior use even though the mark

---

5. There is no evidence in the record as to the date of the publication of the service mark in the Official Gazette of the Patent Office.

has later been Federally registered by another. That is exactly the situation in this case; Zimmerman had acquired rights in the mark under state law, and they would be recognized under the Lanham Act.

Attempts by Petitioner to characterize Zimmerman as a "latecomer" are no doubt designed to convey to this Honorable Court the notion that the Pennsylvania courts awarded relief to a subsequent user as against a Federal registrant. This simply is not the case. There is no doubt that Zimmerman acquired rights in the service mark "Holiday" under Pennsylvania law by virtue of both his regisration of the name and his prior use. This fact was recognized by the Pennsylvania court when it granted him exclusive use of the service mark in the limited geographic area in which his service mark had become known. Also, as pointed out in the petitioner's argument, the Pennsylvania court found that Zimmerman's service mark had gained a secondary meaning in this area by virtue of his prior use and therefore was entitled to protection from infringement.

The Lanham Act, although providing for registration of trademarks, was not intended to abolish rights acquired in a service mark by another prior to its registration by the registrant. *Roman Products Corp. v. Di-Crasto Dairy and Food Products, Inc., supra.; Haviland & Co. v. Johann Haviland China Corporation,* 269 F. Supp. 212 (S.D.N.Y. 1957).

Thus it would appear that the Federal courts in dealing with claims of service mark registrants under the Lanham Act have properly looked to state law to determine whether the alleged infringer had acquired any rights thereunder to use the service mark. If he had acquired rights to the service mark, the courts have

followed the provisions of the Lanham Act and extended protection to the non-registrant. This is not to say that the courts grant the common law service mark holder superior rights in an unlimited area but only in the limited geographic market area where his service mark has been used prior to the registration of the mark by another. This is exactly the result reached in the present case. The Pennsylvania courts recognized the petitioner's rights but held that by virtue of his prior use and established good will, Zimmerman was entitled to protection in his limited market area.

Petitioner cites and relies upon the cases of *Down Donut Co. v. Hart's Food Stores, Inc.*, 267 F.2d 358 (2d Cir. 1959); *John R. Thompson Co. v. Holloway*, 366 F.2d 108 (5th Cir. 1966); and *Sterling Brewing, Inc. v. Cold Spring Brewing Corp.*, 100 F. Supp. 412 (D.C. Mass. 1951), in support of its contention that a Federal registrant has been deprived of its rights by the Pennsylvania courts. These cases, however, are not apposite to the one at bar. In those cases Federal registrants were held to be entitled to injunctive relief against *subsequent* users. As the record and findings clearly indicate, Zimmerman was a *prior* user in good faith.

Petitioner also cites and relies upon the case of *Shoppers Fair of Arkansas, Inc. v. Sanders Co.*, 328 F.2d 496 (8th Cir. 1964), for its suggestion that Federal law would have compelled a different result than that reached by the Pennsylvania courts. However, all that the court in *Shoppers Fair* said was that long and exclusive use of a mark can establish secondary meaning. As the record established, Zimmerman had been the exclusive user of the name "Holiday" in connection with

motel facilities in his locale and market area. As the court in *Shoppers Fair* itself aptly noted, a trade name may have acquired secondary meaning in one locality though lacking such meaning in another (328 F.2d at 499.)

CONCLUSION

No question of any right, privilege or immunity under the Constitution or laws of the United States was ever properly raised or before the Pennsylvania courts. The pleadings and proof proceeded strictly on the common law theory of unfair competition, and in fact, Petitioner expressly disclaimed the presence of any Federal trademark question. The Pennsylvania courts, thus, properly treated the case as one of unfair competition, and to permit the injection of a new theory or question at this late state in the case would distort long recognized principles of procedure.

A reading of Sections 15 and 33(b) of the Lanham Act belies any Congressional intent to preempt the law of the states as to unfair competition. Of real importance, though, is the fact that the Lanham Act compels the same result that was reached by the Pennsylvania courts under the state common law of unfair competition. That Act expressly provides for the continued recognition of rights validly created under existing state law. The Pennsylvania courts have conclusively found that under the Pennsylvania law of unfair competition, Respondents had perfected a valid right to the exclusive use of the word "Holiday" in his market area.

Conclusion.

For the above reasons, Respondents respectfully requests that this Honorable Court decline jurisdiction over this matter and dismiss the Petition for Writ of Certiorari.

Respectfully submitted,

HAROLD R. SCHMIDT
Pittsburgh, Pa. 15222
919 Oliver Bldg.
Attorney for Respondents

DANIEL L. STICKLER
JAY C. WALDMAN
ROSE, SCHMIDT & DIXON
919 Oliver Bldg.
Pittsburgh Pennsylvania 15222
JOHN BEZAM
Blackstone Bldg.
Harrisburg, Pa. 17101
Of Counsel

Appendix

Federal Trademark (Lanham) Act of 1946
Section 15 (15 U.S.C. §1065) Incontestability under certain conditions of right to use mark

Except on a ground for which application to cancel may be filed at any time under subsections (c) and (e) of section 14 of this Act, and except to the extent, if any, to which the use of a mark registered on the principal register infringes a valid right acquired under the law of any State or Territory by use of a mark or trade name continuing from a date prior to the date of publication under this Act of such registered mark, the right of the registrant to use such registered mark in commerce for the goods or services on or in connection with which such registered mark has been in continuous use for 5 consecutive years subsequent to the date of such registration and is still in commerce, shall be incontestable: *Provided, That* —

(1) there has been no final decision adverse to registrant's claim of ownership of such mark for such goods or services, or to registrant's right to register the same or to keep the same on the register; and

(2) there is no proceeding involving said rights pending in the Patent Office or in a court and not finally disposed of; and

(3) an affidavit is filed with the Commissioner within 1 year after the expiration of any such 5-year period setting forth those goods or services stated in the registration on or in connection with which such mark has been in continuous use for

such 5 consecutive years and is still in use in commerce, and the other matters specified in subsections (1) and (2) hereof; and

(4) no incontestable right shall be acquired in a mark which is the common descriptive name of any article or substance, patented or otherwise.

Subject to the conditions above specified in this section, the incontestable right with reference to a mark registered under this Act shall apply to a mark registered under the Act of March 3, 1881, or the Act of February 20, 1905, upon the filing of the required affidavit with the Commissioner within 1 year after the expiration of any period of 5 consecutive years after the date of publication of a mark under the provisions of subsection (c) of section 12 of this Act.

The Commissioner shall notify any registrant who files the above-prescribed affidavit of the filing thereof.

Section 33(b) (15 U.S.C. § 1115(b))

Federal Trademark (Lanham) Act of 1946
Section 33(b) (15 U.S.C. § 1115 (b)) Same—When conclusive evidence of exclusive right to use mark

If the right to use the registered mark has become incontestable under section 15 hereof, the registration shall be conclusive evidence of the registrant's exclusive right to use the registered mark in commerce on or in connection with the goods or services specified in the affidavit filed under the provisions of said section 15 subject to any conditions or limitations stated therein except when one of the following defenses or defects is established:

(1) That the registration or the incontestable right to use the mark was obtained fraudulently; or

(2) That the mark has been abandoned by the registrant; or

(3) That the registered mark is being used, by or with the permission of the registrant or a person in privity with the registrant, so as to misrepresent the source of the goods or services in connection with which the mark is used; or

(4) That the use of the name, term, or device charged to be an infringement is a use, otherwise than as a trade or service mark, of the party's individual name in his own business, or of the individual name of anyone in privity with such party, or of a term or device which is descriptive of and used fairly and in good faith only to users the goods or services of such party, or their geographic origin; or

(5) That the mark whose use by a party is charged as an infringement was adopted without knowledge

Section 33(b) (15 U.S.C. § 1115(b))

of the registrant's prior use and has been continuously used by such party or those in privity with him from a date prior to registration of the mark under this Act or publication of the registered mark under subsection (c) of section 12 of this Act: *Provided, however,* That this defense or defect shall apply only for the area in which such continuous prior use is proved; or

(6) That the mark whose use is charged as an infringement was registered and used prior to the registration under this Act or publication under subsection (c) of Section 12 of this Act of the registered mark of the registrant, and not abandoned: *Provided, however,* That this defense or defect shall apply only for the area in which the mark was used prior to such registration or such publication of the registrant's mark; or

(7) That the mark has been or is being used to violate the antitrust laws of the United States.

* * * * * * * *

Pennsylvania Business Corporation Law of 1933

[TITLE 15 PURDON'S PA. STAT. ANN. SECTION 2852 — 202]

* * * * * * *

B. The corporate name shall not be the same as, or deceptively similar to:

(1) The name of any other domestic corporation, or of any foreign corporation authorized to do business in this Commonwealth, or the name of any unincorporated body whatsoever, voluntarily registered with the Department of State under any act of Assembly, unless such other domestic or foreign corporation or unincorporated body is about to change its name, or to cease to do business, or to withdraw from doing business in this Commonwealth, and the written consent of such other domestic or foreign corporation or unincorporated body to the adoption of its name, or a deceptively similar name, has been given and is filed with the articles: Provided, That nothing herein contained shall be construed to refer or apply to any assumed or fictitious name required by law to be filed with the Department of State.

(2) The name of any administrative department, board, or commission or other agency of the Commonwealth.

(3) A name the exclusive right to which is at the time reserved by any other corporation whatsoever in the manner provided in this act or any other act of Assembly.

C. Nothing in this section shall abrogate or limit the law as to unfair competition or unfair practices, nor derogate from the common law, the principles of equity,

or the statutes of this Commonwealth with respect to the right to acquire and protect trade names.

D. The assumption of a name in violation of this section shall not vitiate or otherwise affect the corporate existence, but the court of common pleas of Dauphin County may, upon the application of the Attorney General, acting on his own motion or at the instance of any administrative department, board, or commission of any county having jurisdicton over the corporation may, upon the application of any person, unincorporated body or corporation adversely affected, enjoin the corporation from using or continuing to use a name assumed in violation of this section.

* * * * * * *

Pennsylvania Business Fictitious Names Act

SESSION OF 1945.

No. 380

AN ACT

Making it unlawful for any individual or individuals to carry on any business under an assumed or fictitious name, style or designation, unless upon advertisement and the filing of an application to that effect in the office of the Secretary of the Commonwealth and of the prothonotary; requiring nonresident applicants to have a resident agent; prescribing the effect of failure to file such application; providing that certificates of the Secretary of the Commonwealth shall be admitted in evidence; requiring county commissioners, at the expense of the county, to provide books or other means of reproduction for the entry of such applications; requiring the cancellation of such application or* the withdrawal

---

*"on" in original.

from the business; providing methods therefor; fixing the fees of the Secretary of the Commonwealth and prothonotary; and providing penalties.

Fictitious names.

The General Assembly of the Commonwealth of Pennsylvania hereby enacts as follows:

Application to Secretary of Commonwealth and prothonotary.

Section 1. No individual or individuals shall hereafter carry on or conduct any business in this Commonwealth under any assumed or fictitious name, style or designation unless the person or persons conducting or carrying on the same shall have first filed in the office of the Secretary of the Commonwealth and in the office of the prothonotary in the county, wherein the principal place of business is located, to be entered in a book provided for that purpose, or to be entered or recorded by microfilming or other photographic process, an application, under oath, and signed by such person or persons, setting forth the real name or names and the residences, including number and street, if any, of all the persons owning or interested in said business, the name, style or designation under which said business is being or will be carried on or conducted, a brief statement concerning the character or nature of said business and the location of the principal office or place of business, including number and street, if any.

* * * * * * *

Pennsylvania Fictitious Corporate Name Act of 1957

No. 374

AN ACT

Making it unlawful for any corporation to carry on any business under an assumed or fictitious name, style or designation other than its proper corporate name, unless an application is filed with the Secretary of the Commonwealth and the prothonotary; providing for the amendment of such application; fixing the fees of the Secretary of the Commonwealth and the prothonotary; providing penalties; and providing for the cancellation of such application by the registrant or the Secretary of the Commonwealth under certain circumstances.

Fictitious Corporate Name Act.

The General Assembly of the Commonwealth of Pennsylvania hereby enacts as follows:

* * * * * * *

Section 5. Registration.—No corporation alone, or in combination with any other entity, shall hereafter conduct any business in this Commonwealth under any fictitious name unless such corporation shall have first registered the fictitious name by filing in the office of the Secretary of the Commonwealth, and in the office of the prothonotary of the county wherein the registered office of such corporation is located, an application on a form supplied or approved by the Secretary of the Commonwealth, containing the following information:

(1) The fictitious name under which the business is being or will be carried on or conducted.

(2) A brief statement concerning the character or nature of the business to be conducted under the fictitious name.

* * * * * * *

[J443]

IN THE
SUPREME COURT OF PENNSYLVANIA
WESTERN DISTRICT

EUGENE W. ZIMMERMAN, T/D/B/A HOLIDAY MOTOR HOTELS; HOLIDAY HOTEL, COURTS, INC., HOLIDAY MOTOR HOTEL, INC.; HOLIDAY MOTEL AND INN, INC.; HOLIDAY MOTOR HOTEL RESTAURANT, INC.

v.

HOLIDAY INNS OF AMERICA, INC.; APICO INNS OF PENNSYLVANIA, INC.; BREEZEWOOD MOTEL CORPORATION; NEW STANTON MOTEL CORPORATION; LAUREL RIDGE RESTAURANT CORPORATION; NATIONAL HERITAGE ASSOCIATES, INC.; REPUBLIC MOTOR INNS, INC.; ADOLPH KRISCH; JOEL KRISCH; ALEX GREGORY; PHILIP SEIG; EMORY P. COOK; MRS. EMORY P. COOK; AND ANN DODGE GOODBEE.

Nos. 210, 211 and 213, March Term, 1969

Appeals from the Final Decree of the Court of Common Pleas of Allegheny County, Pennsylvania, Civil Division at No. 1447, October Term, 1963 C, in Equity.

Opinion of The Court

O'BRIEN, J. Filed: May 28, 1970

This is an action in equity wherein the plaintiffs seek to enjoin defendants from alleged unfair competition by their use of the name "Holiday Inn" in rendering motel, hotel and restaurant services within a geographical area of Pennsylvania. It also involves a counterclaim wherein the defendants petition to restrain the

plaintiffs from alleged unfair competition through plaintiffs' use of "Holiday Inn" as a dominant feature of the name "Holiday Inn Town," one of the plaintiffs' three motels.

The action was filed on July 31, 1963. In the complaint the plaintiffs (hereinafter called "Zimmerman because Eugene W. Zimmerman is the real party in interest as he controls all of the identified plaintiffs) originally asked that defendants be enjoined from using the mark "Holiday Inn" within a one hundred mile radius of Harrisburg and a Corridor above and below the Pennsylvania Turnpike from the Ohio State line to the New Jersey State line. Further, Zimmerman contended that defendants willfully and deliberately planned and conspired to divert business away from him and to weaken and destroy whatever rights he had in the name "Holiday." Zimmerman alleged that this conspiracy and plan used an interlocking reservation and advertising system.

Zimmerman's claims were denied by the defendants. The defendants alleged that Zimmerman was not entitled to relief because he was guilty of unclean hands and unfair competition. Defendants also counterclaimed, seeking an injunction against Zimmerman's use of the words "Holiday Inn" in his "Holiday Inn Town" motel.

After a thirty-one day trial, concluded on February 18, 1965, over seventy witnesses and six hundred exhibits, the chancellor rendered his adjudication on May 9, 1968. The chancellor found that Zimmerman had established a secondary meaning to the name "Holiday" in the immediate area of Harrisburg, which area he did not define. The chancellor dismissed defendants' counterclaim, finding that Zimmerman's use of the name

"Holiday Inn Town" since 1960 was not done deliberately to pass off his motel as one of those of defendants.

Exceptions were argued to the court en banc on June 27, 1968, and an amended adjudication was rendered on February 24, 1969. The final decree was issued on February 24, 1969, and it enjoined the defendants from encroaching upon Zimmerman's market area, which was found to be a twenty-two mile radius from the center of Harrisburg. Zimmerman and the defendants appealed.

As between Zimmerman and the defendants, he was the first user of the word "Holiday" for a motor hotel in the Commonwealth of Pennsylvania. Zimmerman decided in August, 1952, to use the name "Holiday" at his fifty-five unit motel at the Gettysburg Pike Interchange of the Pennsylvania Turnpike, which opened in 1953. Between July 8, 1953, and September 16, 1954, an additional thirty-five units were built, making the "Holiday" into ninety units. Zimmerman also owned and operated a fifty-unit motel at the East Harrisburg Interchange of the Turnpike. Originally called "Motel Harrisburg," since 1957 this motel has been designated as "Holiday East" and the motel at the Gettysburg Interchange has been identified as "Holiday West." In 1960 Zimmerman built an additional motel in downtown Harrisburg, midway between Holiday East and Holiday West, which was named "Holiday Inn Town."

The chairman of the defendant Holiday Inns of America, Inc., Mr. Kemmons Wilson, began his first motel in July of 1952, when he opened a Holiday Inn in Memphis, Tennessee. His first motel attracted a good deal of attention and was an immediate success. It be-

came apparent to Mr. Wilson that he himself did not have sufficient financial resources to carry out his plans for a national system of motels. Therefore, he contacted Wallace E. Johnson, now president of Holiday Inns of America, Inc., who at that time was a well-known homebuilder in the Memphis area. Mr. Wilson succeeded in convincing Mr. Johnson to join with him in his plan to create a national system of motels.

In March of 1953, Messrs. Johnson and Wilson wrote letters to various homebuilders around the country and asked them to come to Memphis, Tennessee, for a conference regarding their plan to create a national system of franchise motels. This conference and the concept of a national system of motels gained significance and national notoriety. Articles relating to this conference appeared in publications having national distribution such as "Hotel Management," "Business Week," "St. Louis Post Dispatch," "Wall Street Journal," and "Barrons."

This meeting of homebuilders was in March, 1953, and was the beginning of the national system of "Holiday Inn" motels. At this meeting franchises were granted for areas that covered practicially the entire United States.

In the spring of 1954, Zimmerman, while on a trip to Memphis, was informed that a motel under the name of "Holiday" existed there as part of a chain that intended to expand. Immediately upon return to Harrisburg, Zimmerman, in an effort to protect the name, on advice of counsel, formed various corporations, using the key word "Holiday."

Both Zimmerman and the defendant Holiday Inn chain have grown from these early modest beginnings.

Zimmerman's motel at the Gettysburg Interchange, now known as "Holiday Motor Hotel West," had expanded by 1964 to three hundred air-conditioned rooms, with television and telephone. It also has a restaurant, gas station, three-hole golf course, large ballroom, fully equipped with a revolving stage for presentations and convention facilities, olympic-size swimming pool and recreation room.

Zimmerman's motel at the Harrisburg East Interchange, now known as "Holiday Motor Hotel East," had expanded by 1964 to one hundred fifty air-conditioned rooms, a swimming pool, a restaurant, television and telephone in every room, and banquet and many other facilities. Zimmerman's Holiday Inn Town has four hundred fifty rooms.

During this same period, the defendants' dreams of a national chain of motels had become a reality. By 1964 the chain had grown to five hundred twenty-five members, each with the same advertising configuration (the words "Holiday Inn" written in script), known as the "Great Sign," and each with television, air conditioning, swimming pool, 24-hour telephone service, uniform operating procedures and an interlinking advance reservation and referral system.

Inevitably, these two motel empires had to clash. On June 30, 1958, the defendant Holiday Inns of America, Inc., reached Pennsylvania, where a licensee, B & C Motel Corporation opend a motel known as "Holiday Inn" near Allentown, Pennsylvania, about eighty miles from Zimmerman's "Holiday East" and about ninety miles from his "Holiday West."

On July 26, 1958, Zimmerman brought an action to restrain alleged unfair competition by the Holiday Inn chain. Judge Henninger of the Court of Common Pleas of Lehigh County granted the defendant's motion for compulsory nonsuit. Ultimately the case came before us and we found that Zimmerman had not then proved the requisite secondary meaning of the Holiday name in the Allentown area. *Zimmerman v. B & C Motel Corp.*, 401 Pa. 278, 163 A.2d 884 (1960). The opinion by Justice Bok ended with this paragraph:

> "We approve the lower court's leaving the case without prejudice, in case the parties extend their facilities in this rapidly expanding industry."

Since the *B & C Motel* case, the defendant Holiday Inn system has expanded to the point where, as of 1965, when this case came to trial, there were fifteen "Holiday Inns" in Pennsylvania. Thus, the fact situation is quite different from what it was the last time a dispute between these same parties came before this court.

However, the law is the same. In order to prove that he is entitled to relief from the courts in the form of an injunction to protect his use of the name "Holiday," from a competing use by the defendants, Zimmerman must prove that he has a legal right to exclusive use of the word "Holiday," that the defendant Holiday Inn is using a name or mark confusingly similar to Zimmerman's name or mark, and that defendant's use of the name is likely to cause confusion in Zimmerman's competitive area.

Although Zimmerman sought to enjoin the Holiday Inn system from operations all along the Pennsylvania Turnpike and in an area within one hundred miles of

Harrisburg, the court found that Zimmerman was entitled to protection only in an area defined as twenty-two miles from the center of Harrisburg. In argument, counsel for Zimmerman took the position that this area was too limited in size and scope to afford him the full measure of relief to which he was entitled.

The Holiday Inn system contended that the court erred in finding that Zimmerman was entitled to any relief because, they contended, he had failed to prove he was entitled to exclusive use of the name "Holiday" and he was not entitled to relief in any case because he had been guilty of unclean hands through the use of the name "Holiday Inn Town" for his third motel. Moreover, they urged that if we found Zimmerman was entitled to some protection, we should find that his area does not extend a distance of more than fifteen miles from the center of Harrisburg. It appears that a twenty-two mile radius would include a proposed Holiday Inn in York, Pennsylvania. However, the record supports a finding that Zimmerman established a secondary meaning in the greater Harrisburg area, including York.

In order to have an exclusive right to the use of a common word like "Holiday," Zimmerman must prove that the name has taken a secondary meaning.

The term "secondary meaning" encompasses the situation where people in the trade or purchasing public come to think of a word or name as standing for the business of a particular owner, here, "Holiday" standing for the motel business of Zimmerman. *Zimmerman* v. *B & C Motel Corporation, supra, Kool Vent Metal Awning Co.* v. *Price*, 368 Pa. 528, 84 A.2d 296 (1951). The chancellor found that although Zimmerman had

failed to prove that he had acquired a secondary meaning in "Holiday" throughout the state of Pennsylvania, he had established a secondary meaning in the word "Holiday" in the greater Harrisburg area.

The record amply supports this finding. Greater Harrisburg is the only area in which Zimmerman has rendered motel and restaurant services under the name "Holiday." Zimmerman has done extensive advertising of his Holiday motels, but most of this advertising was confined to the Harrisburg area. The witnesses, whose testimony carried the most weight with the chancellor in establishing that Zimmerman had achieved a secondary meaning for his use of the word "Holiday," were people whose business brought them frequently to Harrisburg, such as George Bloom, former Secretary of the Commonwealth of Pennsylvania and now Chairman of the Public Utility Commission, and George M. Leader, former Governor of the State, both of whom testified that the generally accepted meaning of the word "Holiday" when used in relation to a motel or motor hotel among all people in government in Harrisburg with whom they had come in contact was one of Zimmerman's motels.

However, the chancellor did not find the testimony persuasive on the question of establishing a secondary meaning for Zimmerman's use of Holiday anywhere in Pennsylvania outside of Harrisburg. There was ample evidence in this case concerning extensive use of the word "Holiday" for motels and restaurants in Pennsylvania which were not connected with either Zimmerman or the Holiday Inn System. In addition, although many of Zimmerman's witnesses testified that

they had seen "Holiday Inns" operated by the defendant system and they testified that they believed that the motels of both plaintiffs and defendants were all part of the same system, there was often no indication that Zimmerman's use of the name "Holiday" had acquired a secondary meaning in the minds of these witnesses, before these witnesses had seen or heard of the motels of the defendant system. Moreover, the witnesses chosen by Zimmerman's counsel to give testimony were not chosen at random or by any scientific method. Only thirty witnesses were brought in, seven from the Philadelphia area, twenty-two from the Pittsburgh area and one from Harrisburg. There was no indication that they were representative of the estimated 5 to 8 million people who live along the Pennsylvania Turnpike. There was no indication of the total number of people who use the Pennsylvania Turnpike, and the geographic source for these travelers. Surely they do not all stem from within Pennsylvania. In view of the extensive advertising done by the defendant system, many of these travelers have probably heard of the defendant's system's motels first rather than Zimmerman's motels in Harrisburg. See for a discussion of surveys, *American Luggage Works* v. *United States Trunk Co.*, 158 F.Supp. 50 (D. Mass. 1957); *Humble Oil & Refining Co.* v. *Standard Oil Co. (Kentucky)*, 229 F.Supp. 586 (S.D. Miss. 1964).

We agree with the chancellor. Only within a twenty-two mile radius of Harrisburg has Zimmerman's use of the name "Holiday" acquired a secondary meaning.

The defendant Holiday Inn Systems also contends that there is no confusion because their Holiday Inn

sign does not conflict with Zimmerman's Holiday sign. The chancellor found that there was conflict because Holiday was the key word. We agree with the chancellor. Many witnesses testified that they did not remember whether the word "Holiday" was followed by the word "Inn" or either Zimmerman's or the defendants' motel. There were many instances of confusion in marking and in registration of guests. Moreover, various advertising done by the defendant Holiday Inns of America System clearly indicated that they, too, considered "Holiday" the key word.[1]

Zimmerman's argument that the area described by the court order, a twenty-two mile radius from the center of Harrisburg, does not mark the full scope of his motel trading area is not relevant. We agree that a motel's trading area, in these days of high speed traffic, covers a wide range. However, Zimmerman is entitled to protection only where his use of the name has acquired secondary meaning, not in all parts of his trading area.

The case of *Travelodge Corporation v. Siragusa*, 228 F. Supp. 238 (N.D. Ala. 1964) and the case of *Quality Courts United v. Quality Courts*, 140 F. Supp. 341 (M.D. Pa. 1956), both cited in the brief for Zimmerman, can be distinguished from the instant case.

In both of those cases the plaintiffs had established secondary meaning for their names throughout the area

---

1. For example, billboards advertising "Go Gulf, Go Holiday," an advertising symbol named "Johnny Holiday," and a national magazine campaign featuring the Holiday Inns and the Oldsmobile Holiday automobile.

where defendant was operating its motel. Here, such secondary meaning was confined to the Harrisburg area.

We find no merit to defendant Holiday Inns of America's contention that Zimmerman's claim to relief is barred by his alleged act of unclean hands in using Holiday Inn Town for his third motel. The record supports the chancellor's finding that Zimmerman's use of the name "Holiday Inn Town" since 1960 was not done deliberately to pass off his motel as one of defendants'.

Zimmerman's use of the words "Holiday Inn" for the Holiday Inn Town motor hotel is but an extension of the name Holiday which we have already identified as the key word in the name Holiday Inn.

Moreover, there was no attempt to copy the "Holiday Inn" mark. The advertising of Zimmerman's Holiday Inn Town is quite different from the script lettering and "Great Sign" of the Holiday Inns of defendants' system. In no sense can the doctrine of unclean hands be applicable. Therefore, we agree with the chancellor. Zimmerman is entitled to relief and the counterclaim of the defendant system should be dismissed.

One more issue remains. The wording of the final decree prohibits the Holiday Inn system from "encroaching" on the area defined within a twenty-two mile radius of Harrisburg. Zimmerman contends that the word "encroaching should include advertising as well as actual operation of motels. We disagree. As we have already said, Zimmerman is only entitled to protection within the zone of a circle with a radius of twenty-two miles of Harrisburg. If we barred the Holiday Inn System from advertising within that twenty-two mile ra-

dius, we would, in effect, be enlarging Zimmerman's zone of protection by diminishing the effective market area of the Holiday Inns which are outside that zone. This we will not do.

Decree affirmed. Each party to bear own costs.

Mr. Justice Cohen dissents.

Zimmerman v. B. & C. Motel Corporation.
401 Pa. 278

OPINION BY MR. JUSTICE BOK, September 26, 1960:

This complaint in equity asking for an injunction was nonsuited, under Pa. R. C. P. 1512, and plaintiff appealed after his rule to strike off the nonsuit was discharged and his complaint dismissed. The court's final action was taken without prejudice.

Plaintiff owns and operates two motels, both at the Pennsylvania Turnpike in the Harrisburg area, one at Exit 15 and the other at the Route 230 by-pass. Both have been variously named, but all designations contained the key word "Holiday" until they are now established as "Holiday West" and "Holiday East". West was opened in 1953, East in 1957.

Holiday West is a quarter of a mile long. Both motels together represent an investment of over two million dollars and have all modern facilities such as restaurants and swimming pools. One has a revolving stage. Plaintiff advertises them extensively in trade issues and maintains road signs within fifty miles of the Turnpike and adjacent highways. He was the first in the State to use the word Holiday for a motel.

In 1958 defendant opened "Holiday Inn", also a motel, on U.S. Route 22 near the Lehigh Valley Interchange of the Northeast Extension of the Turnpike, in the Allentown area. It is 75 to 80 miles distant from "Holiday East" and 85 to 90 miles from "Holiday West". Two years before, defendant signed a license agreement with Holiday Inns of America, Inc., a Tennessee corporation then operating motels locally in Memphis but with ambition to establish by license and uniform regulations

a national string of motels. Defendant maintains billboards on the Turnpike Extension but not near the plaintiff's locations.

Both parties cater to the public that travels by automobile.

The complaint being one of unfair competition, the question is whether the parties are competing in the same market, and, if they are, whether plaintiff has a position that he can defend against invaders.

There come to mind at once the many National, Grand, Palace, Congress, Station, Railroad, Ambassador, and Mayflower Hotels that dot the nation, and it is likely that the public does not confuse them because the effective distinction is one of locality. The same hospitality is not necessarily expected in the Congress Hotel in Portland Maine, as in the Congress Hotel in St. Louis, Missouri. The plaintiff suggests that it is different with modern turnpikes and long-distance driving, and founds his case on long-haul competition only: to the traveler from Arizona to Maine, he mentions as example, the distance between Harrisburg and Allentown is negligible and the competition for his patronage real. Plaintiff does not suggest the presence of local competition as the basis for relief.

We agree with the plaintiff that proof of fraudulent intent in the defendant is not essential nor is proof of financial loss or damaged reputation, or proof of actual deception, tendency to deceive being enough in a proper case: *American Clay Manufacturing Co. v. American Clay Manufacturing Co.*, 198 Pa. 189 (1901), 47 A. 936; *Thomson-Porcelite Co. v. Harad*, 356 Pa. 121 (1947), 51 A. 2d 605; *Golden Slipper Square Club v. Golden Slipper*

Restaurant & Catering, Inc., 371 Pa. 92 (1952), 88 A. 2d 734; *Goebel Brewing Co. v. Esslingers, Inc.*, 373 Pa. 334 (1953), 95 A. 2d 523.

Here our agreement with the plaintiff ceases.

We are not dealing with a trademark or a trade name, like Kool-Vent (*KoolVent Metal Awning Corp. v, Price*, 368 Pa. 528 (1951), 84 A. 2d 296) or Porcelite (supra, 356 Pa. 121), where we must determine whether there is sufficient similarity in the competing sign to amount to unfairness. Here we have a straight English word, holiday, and to decide whether its repetition by a competitor is unfair we must apply a different rule.

There is no question of what this rule is. It is set forth in the *KoolVent* case, supra, (368 Pa. 528) as follows: "Descriptive, geographical and generic words, as well as words of common or general usage belong to the public and are not capable of exclusive appropriation by anyone. This general principle is subject to the limitation or exception that if a trade name or trade-mark or other word or words have acquired, in the trade and in the minds of the purchasing public, a special or so-called secondary meaning, i.e., have come to mean that the article is the product of a certain manufacturer or of a particular individual or corporation, such trade name or trade-mark or word or words will be protected against infringement . . ."

It is obvious that a secondary meaning cannot appear unless there is evidence of it, and there is none before us except a charge of $5 sent once by a utility company to plaintiff by mistake. As the court below indicated, one swallow does not make a summer. Since plaintiff began suit five years after opening Holiday

West, is it interesting to note that in *Quaker State Oil Refining Co. v. Steinberg,* 325 Pa. 273 (1937), 189 A. 473, five years of marketing and national advertising was held not enough to associate the plaintiff's name with his product. We said: "The only evidence from which it could be inferred that the name of complainant's product had acquired a secondary meaning prior to 1919 is that its product has been marketed and had been nationally advertised for five years under this name. There is no other evidence from which it could be inferred that the public associated 'Quaker State' or 'Quaker' with the complainant's product at that time. 'The mere adoption and use of words in advertisements, circulars and price lists and on signs and stationery give no exclusive right to their use': Delong Hook & Eye Co. v. Hump Hairpin Mfg. Co., 297 Ill. 359, 364, 130 N.E. 765. See also Continental Corp. v. National Union Radio Corp., 67 F. (2) 938, 942. 'It is an accepted principle of the common law that mere advertising is insufficient to establish trade-mark use'; Derenberg, supra, p. 505."

There are other cases where dictionary words have been used. In *Peters v. Machikas,* 378 Pa. 52 (1954), 105 A. 2d 708, the plaintiff used "Majestic Restaurant" and the defendant "Majestic Grille", and an injunction issued: the plaintiff had used the key word for over thirty years. In *Hartman v. Cohn,* 350 Pa. 41 (1944), 38 A. 2d 22, plaintiff for twenty-six years had used "Dundee" in connection with his clothing and successfully enjoined the defendant who advertised as "Dundee Clothing Factory Sales Room". In the *Quaker State* case, supra (325 Pa. 273), we said, quoting from Nims, Unfair Competition and Trade-Marks (2nd ed.), p. 106:

" 'When the word is incapable of becoming a valid trademark, because descriptive or geographical, yet has come by long use to stand for a particular maker or vendor, its use by another in this secondary sense will be restrained as unfair and fraudulent competition, and its use in its primary or common sense confined in such a way as will prevent a probable deceit by enabling one maker or vendor to sell his article as the product of another . . .' "

We reject plaintiff's contention that he can preempt the word "Holiday" in Pennsylvania against all comers or that he can use it and expect protection from the courts because he might in future be harmed through use of it by someone else. Only evidence of a secondary meaning could aid him. To credit his argument, anyone could corner common English words simply by using them, and that has never been the law. The words do not confer meaning on the enterprise; the enterprise must confer meaning on the words.

Beyond this, we agree with the court below that the parties are not operating in the same market. The motels in question are too far apart for realistic competition, and we note that the letters and telegrams offered by the plaintiff as addressed to him are all but one addressed to "Holiday Inn", which rather puts him unfairly in competition with defendant if the evidence is to be credited at all. As for the mythical motorist from Arizona, he can be reduced to absurdity by starting him from Alaska and asserting that all Holiday motels on the eastern seaboard are in competition for him.

We need not reach the question of what protection, if any, defendant has achieved by contracting with the Tennessee corporation. Suffice it to say that plaintiff has not met his burden of proof, and hence must fail. We approve the lower court's leaving the case without prejudice, in case the parties extend their facilities in this rapidly expanding industry. The decree is affirmed, costs to be paid by the appellant.

Mr. Justice BELL dissents.

PATENT OFFICE TRADEMARK TRIAL AND APPEAL BOARD

123 U.S.P.Q. 549

ZIMMERMAN v. HOLIDAY INNS OF AMERICA, INC.

Decided Sept. 24, 1959

TRADEMARKS

1. *Acquisition of marks—In general (§ 67.071)*

   Cancellation—Mark and use of parties—In general (§ 67.1771)

   Cancellation — Pleading and practice — In general (§ 67.1811)

   Territorial limitations (§ 67.83)

Ownership of mark depends upon priority of use whether in intrastate commerce or interstate or other commerce which lawfully may be regulated by Congress; inasmuch as cancellation petitioner does not question registrant's ownership of its mark through priority of use in intrastate commerce, although it alleges that registrant had not used mark "in commerce," it is without standing to challenge registrant's right of registration; it may be that petitioner possesses superior rights in its mark for an area within a single state which may be recognized and enforced in appropriate proceeding, but registrant's registration is not inconsistent with any such rights as may exist; their possession can afford no basis for relief sought; petition is dismissed for failure to state facts on which relief can be granted.

Patent Office Trademark Trial and Appeal Board.

Trademark cancellation No. 7,294 by Eugene W. Zimmerman against Holiday Inns of America, Inc., Registration Nos. 592,539, 592,540, and 592,541, issued July 13, 1954. Petition dismissed.

On reconsideration, 123 USPQ 549.

SYNNESTVEDT & LECHNER, Philadelphia, Pa., for Zimmerman.

MASON, FENWICK & LAWRENCE, Washington, D.C., for Holiday Inns of America, Inc.

Before LEEDS, Assistant Commissioner, and BAILEY and LEFKOWITZ, Members.

BAILEY, Member.

Eugene W. Zimmerman has petitioned to cancel registration of "HOLIDAY INN" alone,[1] and associated with a design,[2] for the service of providing lodgings and meals in mitels, issued to Holiday Inns of America, Inc.

Petitioner alleges that it has used the name "THE HOLIDAY MOTEL" in connection with the rendering of motel services in the State of Pennsylvania since July 9, 1953, and that neither respondent nor any company related to respondent used the term "HOLIDAY INN" in connection with the rendering of motel services "in commerce" either on July 1, 1952, the date of first use set forth in the registrations, or on December 8, 1952, or March 19, 1953, the dates of filing of the

---

1. Regs. Nos. 592,539 and 592,540, issued July 13, 1954 on applications filed Dec. 8, 1952 and Mar. 19, 1953, respectively.

2. Reg. No. 592,541, issued July 13, 1954.

applications which resulted in the registrations sought to be canceled.

Petitioner further alleges that on or about July 1, 1958, respondent licensed B & C Motel Corporation, located at Allentown, Pennsylvania, to use the term "HOLIDAY INN" in connection with its motel services and that there is an ever-present danger to petitioner that respondent will grant additional licenses to others operating at locations in close proximity to petitioner's motels to the damage of petitioner.

Respondent moved to dismiss the petition for failure to state facts on which relief can be granted. In a decision of the Board dated August 7, 1959, the motion was denied on the ground that the petition sets forth a general claim of prior rights in commerce with respect to the assertedly conflicting trade designations of the parties, and hence states facts on which relief might be granted.

Respondent has petitioned for reconsideration, asserting that in its previous decision the Board overlooked petitioner's allegation of failure of respondent to "use in commerce", and there is nothing in the pleading which suggests that respondent did not use its mark intrastate prior to petitioner's first use. Petitioner has answered the request for reconsideration by stating that his right to use "THE HOLIDAY MOTEL" (and "HOLIDAY EAST" and "HOLIDAY WEST" which designate particular operations of petitioner in Pennsylvania) in his trading area is superior and adverse to any right of respondent to use "HOLIDAY INN" in that area and that respondent is interfering with such

superior right of petitioner by licensing others to use "HOLIDAY INN" in petitioner's trading area.

[1] Ownership of a mark depends upon priority of use whether in intrastate commerce or interstate or other commerce which lawfully may be regulated by Congress.[3] Inasmuch, therefore, as petitioner does not question respondent's ownership of its mark through priority of use in intrastate commerce, it is without standing to challenge respondent's right of registration. It may be that petitioner possesses superior rights in its mark for an area within a single state which may be recognized and enforced in an appropriate proceeding. Respondent's registrations, however, are not inconsistent with any such rights as may in fact exist, and their possession can afford no basis for the relief sought here.

Decision

The denial of respondent's motion to dismiss is vacated; the motion is granted; and the petition is dismissed.

---

3. See: Hump Hairpin Co. v. LeLong Hook & Eye Co., 190 O.G. 1032, 39 App. D.C. 484 (CA DC, 1913); Macauley v. Malt-Diastase Co., 338 O.G. 4, 55 App. D.C. 277 (CA DC 1925); Montgomery Ward & Co., Inc. v. Sears, Roebuck & Co., 9 USPQ 524 (CCPA, 1931); Duncan v. Duncan (Ozon Chemical Company, assignee substituted), 46 USPQ 522 (Comr., 1940); American Pharmaceutical Company, Inc. v. Vitamin Corporation of America, 74 USPQ 210 (Comr., 1947); Dickerson v. Wyandotte Chemicals Corporation, 91 USPQ 345 (Comr., 1951); R. J. Moran Co. v. Gordon, 101 USPQ 206 (Comr., 1954).

PLAINTIFFS' EXHIBIT NO. 292.

EXHIBIT A 1

No. 592,539

THE UNITED STATES OF AMERICA

To All To Whom These Presents Shall Come:

This is to certify that by the records of the United States Patent Office it appears that Holiday Inn Hotel Courts, Inc., of Memphis, Tennessee, a corporation of Tennessee, assignor to Holiday Inns of America, Inc., did, on the 8th day of December, 1958, duly file in said Office an application for Registration of a certain SERVICE MARK [illegible] the Drawing for the SERVICES specified in the Statement, a copy of which [illegible] from the Petitioner are hereby annexed and made a part hereof, and did [illegible] the requirements of the law in such case made and provided, and with the regulations prescribed by the Commissioner of Patents.

And, upon due examination, it appearing that the said Applicant is entitled to [illegible] said Mark registered under the Trade-Mark Act of [illegible], the said Mark has been duly registered this day in the United States Patent Office on the

PRINCIPAL REGISTER

Holiday Inns of America, Inc., its successors or assigns.

This certificate shall remain in force [illegible] unless sooner terminated as provided by law.

In Testimony Whereof I have hereunto set my hand and caused the Seal of the Patent Office to be affixed, at the City of Washington, [illegible] thirteenth day of July, in the year [illegible] and nineteen hundred and [illegible]-four, and of the [illegible] of the United States the one hundred and seventy-ninth.

Robert C. Watson
COMMISSIONER OF PATENTS

ATTEST:
Karl H. Asplund
ATTESTING OFFICER

Plaintiffs' Exhibit No. 292

PLAINTIFFS' EXHIBIT NO. 292.

UNITED STATES PATENT OFFICE

Registered July 13, 1954 592,539

PRINCIPAL REGISTER
Service Mark

Ser. No. 620,160, filed Dec. 8, 1952

Holiday Inn Hotel Courts, Inc. (Tennessee corporation)
4555 Summer
Memphis, Tenn., assignor to
Holiday Inns of America, Inc.

FOR: MOTEL SERVICES—NAMELY, PROVIDING LODGINGS AND MEALS IN MOTELS—in CLASS 100.

First used Mar. 1, 1952, and in commerce July ., 1952.

The word "Inn" is disclaimed apart from the mark as shown.

THIS IS A PHOTOGRAPHIC REPRODUCTION. THIS CERTIFICATE IS ON FILE AT THE GENERAL OFFICES OF HOLIDAY INNS OF AMERICA, INC., MEMPHIS, TENNESSEE AND THE UNITED STATES PATENT OFFICE, WASHINGTON 25, D. C.